

**Protection to Small Scale Sector**

\*227. SHRI LAKKHIRAM AGARWAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the steps taken by Government to protect the Small Scale Sector from low priced imports, dumping and unfair trade practices during the last two years; and

(b) the number of such cases detected / investigated and the action taken in this regard alongwith the details thereof, year-wise?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLIMARAN): (a) and (b) Besides the Comprehensive Policy Package for Small Scale Industries and Tiny Sector announced by the Prime Minister on 30th August 2000, Government has initiated a number of measures relating to tariff rates, import and quality regulation and unfair trade practices to protect the Indian industry including the small scale sector from low priced imports and dumping. These measures include:

- (i) Import duties on a number of items have been increased in recent past including in the Budget of 2001-2002.
- (ii) A Standing Group has been constituted for tracking, collating and analyzing data on sensitive items, which are of importance to the public. The Government is monitoring import of 300 sensitive items.
- (iii) Import of all packaged commodities will be subjected to compliance of the conditions of the Standards of Weights and Measures (Packaged Commodity) Order, 1977, as applicable to domestic producers.
- (iv) Import of 131 products has been made subject to compliance of the mandatory Indian quality standards as applicable to domestic goods. For compliance of this requirement, all manufacturers / exporters of these products to India shall be required to register themselves with Bureau of Indian Standards (BIS).
- (v) Import of all food products will be subjected to compliance of all the provisions of Food Adulteration Act (PEA) and rules thereunder.
- (vi) The course of Safeguard duties is also available to Small Scale Industries to check any surge in imports.

In addition, anti-dumping investigations have been initiated on a wide range of products during 1999-2000 and 2000-01. Of the 46 cases initiated during this period. Final Findings have been issued in 27 cases, Preliminary Findings have been issued in 17 cases, and only one case is under investigation for Preliminary Findings. In one case, investigation was terminated for want of evidence of injury.

#### **Industrial sickness and corporate restructuring**

\*228. SHRI BRATIN SENGUPTA: Will the Minister of FINANCE be pleased to state:

- (a) whether Government have examined the recommendations of the Committee on Industrial sickness and corporate restructuring;
- (b) if so, the details of the recommendations accepted by Government; and
- (c) the details of recommendations not accepted alongwith the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) The High Level Committee on Law relating on Insolvency and Winding up of Companies headed by Justice V.B. Eradi has in its report made some recommendations regarding industrial sickness and corporate restructuring. Government is actively considering its key recommendations, which *inter-alia* include:

- Repeal of Sick Industrial Companies (Special Provisions) Act, 1985.
- A National Tribunal be set up under Article 323 B of the Constitution. Powers and jurisdiction presently exercised by Company Law Board/ BIFR / AAIFR / High Courts be entrusted to the Tribunal.
- Voluntary winding of companies be encouraged.
- Companies with minimum capital of Rs. 10 lakh only to submit winding up petitions.
- Debt default of creditors exceeding Rs. 1 lakh and erosion of 50% of net worth be the basis of voluntary winding and for revival of companies to the National Tribunal.